



USAID
FROM THE AMERICAN PEOPLE

UKRAINE

ANTI-CORRUPTION



Photo by CLC

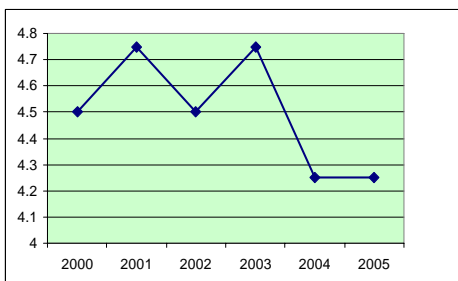
Ambassador Taylor and Acting Chairman of the High Economic Court Serhiy Demchenko launch the Registry of Judicial Decisions

THE CHALLENGE

Rule of law is still not paramount in Ukraine and the justice system remains unable to enforce many court judgments. Grand and petty corruption tend to impede the work of the branches of government and the services they should be providing Ukraine's citizens, while also stifling foreign and domestic investment. Among the challenges that remain are:

- 1) absence of consensus on the overall reform strategy among key stakeholders;
- 2) lack of appropriate legislation;
- 3) institutional weakness and lack of direction;
- 4) lack of transparency;
- 5) judicial opposition to government-led reforms, requiring attention to consensus-building among the executive, judiciary, legislature, and citizens;
- 6) need to raise society's expectations and knowledge of the judicial system and increase the ability to access justice and advocate for reform.

Judicial Framework & Independence Factor (7→1)



OVERVIEW

In April 2006, in response to the President and the Ukrainian Government's stated commitment to prioritizing rule of law reform and the fight against corruption, USAID launched a 4 year, \$12 million dollar program. This is the most recent in several efforts in this area. USAID has also developed a sustainable NGO network that provides legal assistance to underserved segments of the population. To ensure the quality of legal services, USAID programs provide continuing legal education for lawyers and judges. Public information campaigns inform the general public on basic legal rights, new legislation and international conventions. In addition, anti-corruption is a cross-cutting theme that is mainstreamed in most USAID programs in Ukraine.

OUR PROGRAMS

Legal Reform and Rule of Law

This program aims to increase access to quality legal services and strengthen the capacity of courts to resolve cases in an efficient and judicious manner. The goal is to expand the scope of pro bono legal services by supporting the development of five new legal clinics and seven new advocacy centers in underrepresented regions; to maintain a legal defense fund to finance large impact litigation, such as class action suits; to implement case flow management systems in 20 clerks offices and; to strengthen professional associations of judges.

Combating Corruption and Strengthening the Rule of Law

This program intends to: support and build consensus for judicial reform, organize immediate assistance in the judicial system, draft policy and amend relevant key legislation; facilitate the adoption and implementation of new laws and regulations; train new administrative court judges and staff; implement new procedures for selecting, appointing and promoting judges; and improve the budget process.

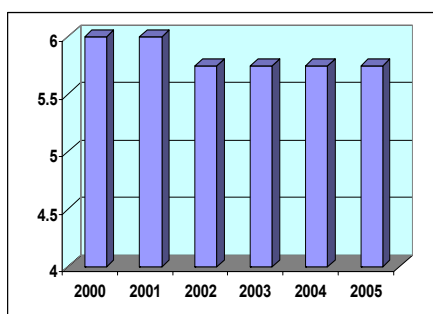
Commercial Law

Commercial Law activities focus on assisting Ukraine in developing commercial systems and practices to create a juristic base for a market economy and legislation to support that market. USAID assistance concentrates on areas of commerce critical to market transition and supportive of reform in other sectors, such as: collateral law, bankruptcy and mortgage, and the prerequisites for commerce, including the enforcement of contracts and judicial decisions, a fair and transparent regulatory regime that facilitates commerce, and a legal environment conducive to foreign investment.

PROGRAM OBJECTIVES

- Make quality legal services available to all segments of the population.
- Promote the establishment of an effective, transparent and independent judiciary.
- Assist in drafting and implementing legislation that will improve the infrastructure for a stable investment environment.
- Reconcile conflicts between the Civil and Economic Codes.
- Help reduce obstacles to developing private enterprises, complex business registration, licensing, and certification requirements.

Corruption Factor, (7→1)



Implementing Partners

Legal Reform and Rule of Law:
ABA/CEELI

**Combating Corruption and
Strengthening the Rule of Law:**
Chemonics, International

Commercial law: Emerging
Markets Group, Ltd.

PROGRAM HIGHLIGHTS

Legal Reform and Rule of Law

- Clinical legal education has been incorporated into the law school curricula, including the publication of two textbooks endorsed by the Ministry of Education. Training centers for educators have been established in Kyiv and Volyn.
- USAID works with a network of 37 public consultation centers throughout Ukraine, apprising the public of its rights while also providing a means of protecting those rights. In 2005, more than 7,000 citizens received pro bono legal assistance through this network. In addition, students participating in the clinical education program provided more than 6,000 legal consultations, initiated 319 administrative actions, and filed 674 lawsuits. During the 2006 elections, the advocacy partners provided over 1,000 consultations related to election issues.
- In the past two years, a National Judicial Association with 21 regional chapters, together with three regional associations, has evolved.

Commercial Law

- With USAID assistance, the new Civil Code was prepared, passed by the Parliament in 2003, and took effect on January 1, 2004.
- USAID, in collaboration with the World Bank, assisted in improving a new secured transactions law, passed in November 2003. The law expands the concept of security interest and rights that can be used as collateral; defines proper registration procedures and priority provisions; improves the mechanisms for enforcement of collateral; and decreases the opportunity for court interference with enforcement of collateral.
- The USAID Financial Restructuring Project provided assistance in drafting a new Bankruptcy Law, which was passed by the Parliament and became effective in January 2000. The law created the framework for a modern insolvency regime and contains powerful provisions for restructuring insolvent enterprises and debt forgiveness.
- The USAID Commercial Law Center (CLC) assists Parliament and government ministries in drafting and improving commercial law legislation, and provides training for commercial law professionals and promotes public education on commercial law reform. To date, more than 2,400 public and private attorneys, including approximately 1,200 bailiffs and 1,300 entrepreneurs, have been trained at the Center.
- The CLC drafted Book IV (Intellectual Property Rights - IPR) of the Civil Code in accordance with international IPR protection and enforcement.
- CLC's legislative support efforts have been complemented with comprehensive training programs covering topics such as the resolution of business disputes, the enforcement of contracts, protection of creditors' rights, the protection of competition, and the training of State Execution Officers responsible for enforcing judicial decisions. The CLC also provides information and guidance on both theoretical issues and practical solutions in its many commercial law publications.
- A national program for commercial law school clinics has been developed and adopted at leading Ukrainian law schools and universities.

**For more information, please contact USAID/Ukraine
Development Outreach & Communications, tel. (380 44) 537 4600
or visit <http://ukraine.usaid.gov>**